

CALIFORNIA ENERGY COMMISSION

1516 Ninth Street
Sacramento, California 95814

Main website: www.energy.ca.gov



In the matter of:)	Docket No. 08-IEP-1D
)	
Preparation of the)	NOTICE OF COMMITTEE
2008 Integrated Energy Policy Report)	WORKSHOP
Update and the 2009 Integrated Energy)	
Policy Report)	

Notice of Committee Workshop

Agenda and Questions

The Integrated Energy Policy Report (IEPR) Committee will hold a workshop to conduct a panel discussion on using Procurement Review Groups (PRGs) in electricity procurement as part of the overall examination in the *2008 IEPR Update* of procurement practices. Commissioner Jeff Byron is the Presiding Member and Chairman Jackalyn Pfannenstiel is the Associate Member. Other Commissioners from the Energy Commission or California Public Utilities Commission may attend and participate in this workshop. The workshop will be held:

MONDAY, JULY 14, 2008

10 a.m.

CALIFORNIA ENERGY COMMISSION

1516 Ninth Street

First Floor, Hearing Room A

Sacramento, California

(Wheelchair Accessible)

Audio from this meeting will be broadcast over the Internet.

For details, please go to: www.energy.ca.gov/webcast/

To participate in the meeting by phone,
please call **888-566-5914** by 10 a.m.

Passcode: **IEPR** Call Leader: **Suzanne Korosec**

PLEASE NOTE: If you are planning to attend this meeting, please be aware that there may be traffic congestion and delays due to repair work on Interstate 5 in the downtown Sacramento area. Information on road closures and alternate routes is available at the Fix I-5 website at [www.fixi5.com], or call 5-1-1 to receive information in English and Spanish.

Purpose

In Decision 02-08-071, the California Public Utilities Commission (CPUC) required each investor-owned utility to establish a PRG whose members, subject to an appropriate non-disclosure agreement, would have the right to consult with the utility and review the details of the utility's (1) overall procurement strategy; (2) proposed procurement processes including, but not limited to, Requests for Offers; and (3) proposed procurement contracts before those contracts are submitted to the CPUC for review.

PRG participants include: the California Department of Water Resources, the CPUC's Energy Division, the Natural Resources Defense Council, the Union of Concerned Scientists, the Division of Ratepayer Advocates, Aglet Consumer Alliance, the Coalition of California Utility Employees, and The Utility Reform Network.

The *2005 IEPR* recommended that the CPUC eliminate the use of PRGs in the procurement process, stating: "The Energy Commission believes that resource planning and procurement in California should be open and transparent to the public it serves." The Energy Commission subsequently elected to remove itself from the PRGs.

The PRGs are currently still active, however, and there are parties who believe they serve a useful function in the procurement process. In addition, some parties have suggested that the Energy Commission should reengage in the PRG process. The IEPR Committee is therefore asking parties to provide information on the role of PRGs in electricity procurement and the benefits and drawbacks of using PRGs. In particular, the Committee would like to better understand the role of PRGs in renewable procurement, given that the investor-owned utilities are not on track to meet the goal of 20 percent of retail sales from renewable resources by 2010.

Attachment A provides a list of questions that the IEPR Committee would like panelists to address. Members of the audience are also invited to provide responses during the public comment period.

Hearing Participation

The Committee invites all interested parties to participate before and during this workshop, and attendees are strongly encouraged to participate in discussions. If you wish to make a formal presentation to the Committee at the workshop, please contact Suzanne Korosec at (916) 654-4516 or by e-mail at [skorosec@energy.state.ca.us] by Thursday, July 10, 2008. Presentation requests received on the day of the workshop will be accommodated to the extent that time allows. The Committee will also take general comments from the public immediately following any presentations.

Comments

The Committee will take comments at the workshop or written comments. The Committee requests that written comments on workshop topics be submitted by 5 p.m. on Monday, July 21, 2008. Please include the docket number 08-IEP-1D and indicate "2008 Integrated Energy Policy Report Update" in the subject line or first paragraph of your comments.

The Energy Commission encourages comments by e-mail. Please include your name or organization's name in the name of the file. Those submitting comments by electronic mail should provide them in either Microsoft Word format or as a Portable Document File (PDF) to [docket@energy.state.ca.us]. **One paper copy** must also be sent to the Energy Commission's Docket Unit at the address shown below.

Parties may also submit comments in hard copy. Please hand deliver or mail an original plus 10 paper copies to:

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 08-IEP-1D
1516 Ninth Street
Sacramento, CA 95814-5512

Participants may also provide an original and 10 copies at the beginning of the workshop. All written materials relating to this workshop will be filed with the Dockets Unit and become part of the public record in this proceeding.

Public Participation

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission activities. If you want information on how to participate in this forum, please contact the Public Adviser's Office at (916) 654-4489 or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by e-mail at [pao@energy.state.ca.us]. If you have a disability and require assistance to participate, please contact Lou Quiroz at (916) 654-5146 at least five days in advance.

The service list for the *2008 IEPR Update* and associated key topic proceedings is handled electronically. Notices and document for these proceedings are posted to the Energy Commission website at [[http://www.energy.ca.gov/2009 energy policy/](http://www.energy.ca.gov/2009%20energy%20policy/)]. When new information is posted, an e-mail will be sent to those on the energy policy e-mail list server. We encourage those who are interested in receiving these notices to sign up for the list server through the website [<http://www.energy.ca.gov/listservers/index.html>].

Please direct all news media inquiries to the Media Office at (916) 654-4989, or by e-mail at [mediaoffice@energy.state.ca.us]. Technical questions should be directed to Suzanne Korosec, Assistant Director for Policy Development, at (916) 654-4516 or by e-mail at [skorosec@energy.state.ca.us].

JEFFREY D. BYRON
Commissioner and Presiding Member
Integrated Energy Policy Report Committee

JACKALYNE PFANNENSTIEL
Chairman and Associate Member
Integrated Energy Policy Report Committee

Date posted: July 3, 2008

Note: The California Energy Commission's formal name is State Energy Resources Conservation and Development Commission.

Attachment A
Questions for Panel Members
On the Use of Procurement Review Groups
In Electricity Procurement

1. How do the utilities decide what subjects to bring up with the Procurement Review Groups (PRGs)? To what extent do discussions include items that are not specifically required by the CPUC to be presented to the PRGs?
2. The PRGs were originally established as an interim measure to speed up evaluation of utility procurement requests. How has that role evolved over time, and what is the current role played by the PRGs in the resource planning and procurement processes?
3. How well are the PRGs serving the purpose(s) for which they were created and for which they are currently being used?
4. Are there unique characteristics of the planning and procurement process in California that might require more confidentiality here than in other states?
5. Does the current set of information that is held to be confidential in planning and procurement settings adequately and accurately balance the need to protect market-sensitive data with the need to protect the public interest in securing efficient outcomes? Is there information that is held confidential that should be made public? If so, why, and if not, why is it confidential?
6. Are there alternatives to the PRGs for considering confidential material that would serve the public interest equally or more effectively? That would provide greater transparency? If not, are there steps that can be taken to increase the transparency of PRG activities within the existing framework?
7. What effect has the inclusion of an Independent Evaluator had on the PRG process? Are there additional steps that should be taken beyond those outlined in CPUC Decision 04-12-048 and subsequent CPUC decisions to guarantee outcomes that are fair? In general, how might the PRG process be modified to increase confidence in its contribution to the decision-making process?
8. The successes and failures of the procurement process are frequently obscured by confidentiality concerns. For example, broad claims have been made by utilities regarding both the low costs of renewables relative to the Market Price Referent, and the high costs of renewables relative to other resources. These claims have not been and cannot be verified by other parties in a public setting. How can such developments be brought to the attention of both the public and

policymakers without divulging confidential information from the PRGs, yet still provide adequate data upon which to base conclusions and decisions?

9. How can public discussion of significant issues that first surface in the PRGs take place without violating confidentiality considerations? How do or would parties decide what should be made public in this fashion?